

# EXHIBIT

# E

**EXECUTION COPY**

As of December 21, 2006

Morgan Stanley Mortgage Capital Inc.  
1585 Broadway, 2<sup>nd</sup> Floor  
New York, New York 10036  
Attention: Mr. Eric Kaplan

Re: Certain Mortgage Loans (the "Mortgage Loans") purchased by Morgan Stanley Mortgage Capital Inc. (the "Purchaser") from Fremont Investment & Loan (the "Seller")

Ladies and Gentlemen:

In connection with the above-referenced Mortgage Loans, and in consideration of the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Purchaser and the Seller hereby agree as follows:

1. The Mortgage Loans are being sold by the Seller to the Purchaser on the date hereof (the "Closing Date") pursuant to the Third Amended and Restated Mortgage Loan Purchase and Warranties Agreement, dated as of December 18, 2006 (the "Purchase Agreement"), between the Seller and the Purchaser. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Purchase Agreement.
2. Notwithstanding the provisions of the Purchase Agreement, with respect to each Mortgage Loan listed on Exhibit A (each, an "Affected Loan") the Seller either (i) requested or will request the related Mortgagor to obtain adequate hazard insurance coverage or (ii) has force-placed or will force-place adequate hazard insurance coverage. The Seller hereby represents that any such coverage, whether obtained by the Mortgagor or force-placed by the Seller, will satisfy the policy criteria set forth in Subsection 9.02(f) of the Purchase Agreement and be effective from the time of any lapse of such insurance (or cover any period of underinsurance, as applicable) and be in full force and effect as of the Closing Date.
3. The Seller will be liable for all losses and other amounts otherwise payable under a standard hazard insurance policy that meets the criteria set forth in Subsection 9.02(f) of the Purchase Agreement (or, if applicable, the difference between such coverage and the amount actually covered if the amount actually covered is less) for any Affected Mortgage Loan where there is either no hazard insurance or

insufficient hazard insurance, up to the date upon which servicing of the Affected Mortgage Loan is transferred to a Successor Servicer.

4. The Seller shall be liable for the cost of force-placing a new hazard insurance policy or the coverage of any underinsurance. All such costs will be considered Servicing Advances for which the Seller will be entitled to reimbursement pursuant to the Interim Servicing Agreement.
5. The Seller hereby agrees that, as promptly as practicable, it shall provide the Purchaser or cause the Purchaser to be provided with evidence reasonably satisfactory to the Purchaser that the actions described herein have been taken and the deficiencies with respect to the Affected Mortgage Loan have been cured. Notwithstanding anything contained in the Purchase Agreement to the contrary, in the event that the Seller fails to cure any such deficiency with respect to any Affected Mortgage Loan sold to the Purchaser by the Seller, the provisions of Subsections 9.02 or 9.04 of the Purchase Agreement, as applicable, shall apply to the repurchase of such Affected Mortgage Loan.
6. Notwithstanding anything set forth in Section 4 above to the contrary, the Purchaser may withhold its request to direct the Seller to repurchase any Affected Mortgage Loan that is not cured pursuant to the terms of the Purchase Agreement. In such case, in the event the Successor Servicer is directed to obtain a new hazard insurance policy, the Seller shall remain liable under the terms of this letter agreement as described herein for any applicable lack of coverage or underinsurance with respect to any Affected Mortgage Loan.
7. This letter agreement shall survive the Closing Date with respect to any Affected Mortgage Loan and shall not merge into the closing documents but instead shall be independently enforceable by the Purchaser.
8. This letter agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.
9. In the event that any provision of this letter agreement conflicts with any provision of the Purchase Agreement or the Servicing Agreement, the terms of this letter agreement shall control.
10. **This letter agreement shall be construed in accordance with the laws of the State of New York, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with the laws of the State of New York except to the extent preempted by federal law.**

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

Very truly yours,

FREMONT INVESTMENT & LOAN

By: 

Name: \_\_\_\_\_

DAVID S. WELLS

Title: \_\_\_\_\_

SENIOR VICE PRESIDENT

Accepted and Agreed:

MORGAN STANLEY MORTGAGE  
CAPITAL INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Very truly yours,

FREMONT INVESTMENT & LOAN


By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and Agreed:

MORGAN STANLEY MORTGAGE  
CAPITAL INC.

By: \_\_\_\_\_

Name: Eric Kaplan

Title: Executive Director

# EXHIBIT

# F

Loan Id	Date Purchased	Notice Date
6000154820	8/30/2005	9/18/2006
5000157269	8/30/2005	9/18/2006
6000159783	8/30/2005	9/18/2006
6000148718	8/30/2005	9/18/2006
6000154542	8/30/2005	9/18/2006
1000252659	8/30/2005	9/18/2006
6000000530	8/30/2005	9/18/2006
6000161146	8/30/2005	9/18/2006
6000150805	8/30/2005	9/18/2006
5000142563	8/30/2005	9/18/2006
5000147117	8/30/2005	9/18/2006
6000159761	8/30/2005	9/18/2006
6000161143	8/30/2005	9/18/2006
5000158186	8/30/2005	9/18/2006
6000161588	8/30/2005	9/18/2006
6000161704	8/30/2005	9/29/2006
6000163154	8/30/2005	9/29/2006
7000152413	8/30/2005	9/29/2006
8000046782	8/30/2005	9/29/2006
8000051598	8/30/2005	9/29/2006
1000251938	8/30/2005	9/29/2006
5000155232	8/30/2005	9/29/2006
5000158922	8/30/2005	9/29/2006
5000146863	8/30/2005	9/29/2006
5000160320	8/30/2005	9/29/2006
6000164577	8/30/2005	9/29/2006
5000158262	8/30/2005	9/29/2006
5000153307	8/30/2005	9/29/2006
8000052419	8/30/2005	9/29/2006
8000045413	8/30/2005	9/29/2006
7000152594	8/30/2005	9/29/2006
7000152210	8/30/2005	9/29/2006
1000237881	8/30/2005	9/29/2006
7000154271	8/30/2005	9/29/2006
5000156660	8/30/2005	9/29/2006
8000047486	8/30/2005	9/29/2006
1000243681	8/30/2005	9/29/2006
5000146017	8/30/2005	9/29/2006
8000050673	8/30/2005	9/29/2006
1000260032	8/30/2005	9/29/2006
1000255061	8/30/2005	9/29/2006
8000050325	8/30/2005	9/29/2006
8000049415	8/30/2005	9/29/2006
6000163618	8/30/2005	9/29/2006
1000254337	8/30/2005	9/29/2006
1000248336	8/30/2005	9/29/2006
8000040184	8/30/2005	9/29/2006
5000151806	8/30/2005	9/29/2006
5000155814	8/30/2005	9/29/2006
6000163504	8/30/2005	9/29/2006
8000050867	8/30/2005	9/29/2006

Loan ID	Date Purchased	Notice Date
5000154463	8/30/2005	9/29/2006
5000156591	8/30/2005	9/29/2006
5000157325	8/30/2005	9/29/2006
5000158791	8/30/2005	9/29/2006
6000166089	8/30/2005	9/29/2006
1000255516	8/30/2005	9/29/2006
6000164571	8/30/2005	9/29/2006
7000153386	8/30/2005	9/29/2006
5000158471	8/30/2005	9/29/2006
6000162877	8/30/2005	9/29/2006
5000160373	8/30/2005	9/29/2006
8000041790	8/30/2005	9/29/2006
6000162892	8/30/2005	9/29/2006
1000255754	8/30/2005	9/29/2006
5000158197	8/30/2005	9/29/2006
5000159762	8/30/2005	9/29/2006
5000158154	8/30/2005	9/29/2006
6000163206	8/30/2005	9/29/2006
6000164344	8/30/2005	10/2/2006
7000137450	8/30/2005	10/2/2006
5000157747	8/30/2005	10/2/2006
6000162548	8/30/2005	2/9/2007
5000152065	8/30/2005	9/29/2006
6000158692	8/30/2005	3/26/2007
8000052053	8/30/2005	3/26/2007
7000154438	8/30/2005	3/26/2007
5000160215	8/30/2005	3/26/2007
5000156357	8/30/2005	3/26/2007
8000053202	8/30/2005	3/26/2007
6000161319	8/30/2005	3/27/2007
6000164295	8/30/2005	3/27/2007
5000155673	8/30/2005	3/27/2007
5000145235	8/30/2005	3/27/2007
5000145893	8/30/2005	3/27/2007
6000162957	8/30/2005	3/27/2007
7000154524	8/30/2005	6/27/2007
6000160253	8/30/2005	6/27/2007
1000256179	8/30/2005	6/27/2007
7000153187	8/30/2005	6/27/2007
1000309387	12/21/2006	7/11/2007
1000312528	12/21/2006	7/11/2007
1000313325	12/21/2006	7/11/2007
1000314177	12/21/2006	7/11/2007
1000317302	12/21/2006	7/11/2007
1000321681	12/21/2006	7/11/2007
1000321863	12/28/2006	7/11/2007
1000322458	12/21/2006	7/11/2007
1000322667	12/21/2006	7/11/2007
1000323609	12/21/2006	7/11/2007
3000029991	12/21/2006	7/11/2007
3000086387	12/21/2006	7/11/2007



Loan ID	Date Purchased	Notice Date
3000097460	12/21/2006	7/11/2007
3000113745	12/21/2006	7/11/2007
3000129491	12/21/2006	7/11/2007
3000163256	12/21/2006	7/11/2007
3000172587	12/21/2006	7/11/2007
3000241773	12/21/2006	7/11/2007
3000245937	12/21/2006	7/11/2007
3000299000	12/28/2006	7/11/2007
3000378698	12/28/2006	7/11/2007
3200109589	12/28/2006	7/11/2007
5000186387	12/21/2006	7/11/2007
5000204288	12/21/2006	7/11/2007
5000205542	12/21/2006	7/11/2007
5000207324	12/21/2006	7/11/2007
5000209916	12/21/2006	7/11/2007
5000214136	12/21/2006	7/11/2007
5000215179	12/21/2006	7/11/2007
5000215751	12/21/2006	7/11/2007
5000216979	12/28/2006	7/11/2007
5000218691	12/21/2006	7/11/2007
5000218820	12/21/2006	7/11/2007
5000219163	12/21/2006	7/11/2007
5000219435	12/21/2006	7/11/2007
5000219872	12/28/2006	7/11/2007
5000222313	12/21/2006	7/11/2007
5000223531	12/28/2006	7/11/2007
6000210193	12/21/2006	7/11/2007
6000216594	12/21/2006	7/11/2007
6000222465	12/21/2006	7/11/2007
6000223718	12/21/2006	7/11/2007
6000227003	12/21/2006	7/11/2007
6000227328	12/21/2006	7/11/2007
6000228552	12/21/2006	7/11/2007
6000229819	12/21/2006	7/11/2007
6000230694	12/28/2006	7/11/2007
6000230862	12/21/2006	7/11/2007
6000231279	12/21/2006	7/11/2007
6000231288	12/21/2006	7/11/2007
6000231426	12/21/2006	7/11/2007
6000231471	12/21/2006	7/11/2007
6000231892	12/21/2006	7/11/2007
6000232295	12/21/2006	7/11/2007
6000232794	12/21/2006	7/11/2007
6000233255	12/21/2006	7/11/2007
6000236802	12/21/2006	7/11/2007
6000239872	12/28/2006	7/11/2007
6000241832	12/21/2006	7/11/2007
7000180696	12/28/2006	7/11/2007
7000191765	12/21/2006	7/11/2007
7000191988	12/21/2006	7/11/2007
7000192081	12/21/2006	7/11/2007

Loan ID	Date Purchased	Notice Date
7000192239	12/21/2006	7/11/2007
7000192285	12/21/2006	7/11/2007
7000193085	12/21/2006	7/11/2007
7000193597	12/21/2006	7/11/2007
7000194108	12/21/2006	7/11/2007
7000195019	12/21/2006	7/11/2007
7000195377	12/28/2006	7/11/2007
7000196081	12/21/2006	7/11/2007
7000199692	12/21/2006	7/11/2007
7000200233	12/21/2006	7/11/2007
7000200804	12/21/2006	7/11/2007
7000201048	12/21/2006	7/11/2007
7000201507	12/21/2006	7/11/2007
7000202447	12/21/2006	7/11/2007
7000202573	12/21/2006	7/11/2007
7000202617	12/21/2006	7/11/2007
7000202989	12/21/2006	7/11/2007
7000203942	12/21/2006	7/11/2007
7000204351	12/21/2006	7/11/2007
7000204596	12/21/2006	7/11/2007
7000205147	12/21/2006	7/11/2007
7000205477	12/28/2006	7/11/2007
7000206963	12/21/2006	7/11/2007
7000207289	12/21/2006	7/11/2007
7000208921	12/21/2006	7/11/2007
7000209634	12/21/2006	7/11/2007
8000078062	12/21/2006	7/11/2007
8000083095	12/21/2006	7/11/2007
8000089722	12/21/2006	7/11/2007
8000089899	12/21/2006	7/11/2007
8000092192	12/21/2006	7/11/2007
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8000095959	12/21/2006	7/11/2007
6000215372	12/21/2006	7/11/2007
6000230998	12/21/2006	7/11/2007
7000204325	12/21/2006	7/11/2007
6000159810	8/30/2005	7/13/2007
7000144087	8/30/2005	7/13/2007
5000158389	8/30/2005	7/13/2007
1000258160	8/30/2005	7/13/2007
7000154996	8/30/2005	7/13/2007
8000052401	8/30/2005	7/13/2007
7000152675	8/30/2005	7/13/2007
5000149715	8/30/2005	7/13/2007
6000150655	8/30/2005	7/13/2007
1000255140	8/30/2005	7/13/2007
1000254244	8/30/2005	7/13/2007
7000146712	8/30/2005	7/13/2007
5000161361	8/30/2005	7/13/2007
8000080909	12/21/2006	7/25/2007
8000050407	8/30/2005	7/31/2007

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